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From decision to action: Moving towards an inclusive and equitable global economic environment for trade and development

Introduction

1. Since the last session of the United Nations Conference on Trade and Development in Doha, the global economy has continued to grow at a modest pace, in part due to unresolved financial and macroeconomic issues and differing impacts of recent declines in oil and commodity prices and country-specific factors. Trade has grown still more slowly; and, although interest rates are now beginning to rise, capital flows are again becoming volatile. Despite these uncertainties, however, 2015 proved to be a critical year for development, as a succession of international agreements created a new global development agenda.

2. In September 2015, world leaders adopted a comprehensive and ambitious 2030 Agenda for Sustainable Development at the United Nations Sustainable Development Summit, committing themselves and the international community to ending poverty in all its forms and dimensions. In July, they adopted the Addis Ababa Action Agenda, which complements and supports the means of implementation for the 2030 Agenda. In December 2015, at the twenty-first Conference of the Parties to the United Nations Framework Convention on Climate Change, they agreed, with similar ambition, to limit global warming to 2°C and pursue efforts to limit it to 1.5°C. In the same month, the Tenth Ministerial Conference of the World Trade Organization made several key decisions, encompassing the elimination of agricultural export subsidies, enhancement of export competition rules, expansion of the plurilateral Information Technology Agreement to include new products and reaffirmation of the need for further implementation of the least developed country (LDC) services waiver.

3. These agreements have reinforced the critical role of trade and development and interrelated issues of finance, technology and investment for inclusive and sustainable development, and the need to provide integrated policy responses to issues arising in these areas. They are the culmination of a half century of profound changes in the world economic order which have at times supported, and at times hindered, the efforts of developing countries for their populations to achieve more prosperous and dignified lives.

4. Collectively, these agreements combined with the core mandate of UNCTAD provide the context and set the parameters for UNCTAD work over the next four years. The Sustainable Development Goals in particular are a welcome echo of the foundation of UNCTAD 52 years ago, when United Nations members highlighted the need "to find ways by which the human and material resources of the world may be harnessed for the abolition of poverty everywhere". The inclusion of means of implementation in the 2030 Agenda likewise echoes their aspiration "to lay the foundations of a better world economic order", and thereby to "create, jointly, new trade and new wealth, so as to share a common prosperity".* The timing of the fourteenth session of the United Nations Conference on Trade and Development (UNCTAD XIV) provides an invaluable opportunity to move from decisions about objectives towards developing a consensus about the actions required to realize them, by developing and contributing to the establishment of a holistic trade and

* See *Proceedings of the United Nations Conference on Trade and Development, Final Act and Report*, vol. I, pp. 3–4 (E/CONF.46/141).

development agenda based on justice, fairness and equity to address persistent and emerging economic challenges.

5. The global nature and universality of the Sustainable Development Goals, combined with the admirable breadth and ambition of the 2030 Agenda, highlight the need for new approaches to development and a renewed Global Partnership for Sustainable Development. Sustainable and inclusive development remains a challenge for the entire international community in the twenty-first century, and meeting that challenge will mean integrating the economic, social and environmental dimensions of sustainable development at all levels and creating an enabling international environment for inclusive and sustainable development.

6. In an ever more complex and interdependent global economy, trade and interrelated issues of investment, finance and technology are key drivers of the inclusive and sustainable development to which the 2030 Agenda aspires. As the focal point of the United Nations for the integrated treatment of those issues, and with its universal membership, UNCTAD thus has a critical role to play in articulating the policy dimensions of trade and sustainable development and supporting the actions which flow from recent global agreements. The recent celebration of the fiftieth anniversary of UNCTAD is a reminder of how much the trade and development context has changed in this period and of the importance of the historical context and of the founding principles of UNCTAD and subsequent experience in plotting the course ahead. In moving forward to a new chapter, past achievements and failures and the lessons to be learned from those experiences should be reflected on.

7. While working in support of all developing countries and countries with economies in transition, UNCTAD should further enhance its work on the special problems of the African continent and of the least developed countries (LDCs). UNCTAD should, as appropriate, enhance its work on the special needs and problems of small island developing States (SIDS), landlocked developing countries (LLDCs) and other structurally weak, vulnerable and small economies. It should also assist transit developing countries with their special challenges in relation to infrastructure and transport.

8. UNCTAD, within its mandate, should contribute to the implementation of and follow-up to the outcomes of relevant global conferences, including the 2030 Agenda for Sustainable Development, the Addis Ababa Action Agenda and, as appropriate, the twenty-first Conference of the Parties to the United Nations Framework Convention on Climate Change. In all aspects of its work, UNCTAD will help to implement the 2030 Agenda for Sustainable Development and pave the way to achievement of the Sustainable Development Goals by 2030. It should contribute to the implementation of specific actions requested in the Addis Ababa Action Agenda, the Programme of Action for the Least Developed Countries for the Decade 2011–2020 (Istanbul Programme of Action), the Vienna Programme of Action for Landlocked Developing Countries for the Decade 2014–2024 (Vienna Programme of Action) and the SIDS Accelerated Modalities of Action Pathway (Samoa Pathway). UNCTAD should also support the completion of a round of multilateral trade negotiations that places the interests of developing countries at its heart and ensures that they secure a share in the growth of world trade commensurate with their development needs, as envisaged in the World Trade Organization Doha Declaration.

9. UNCTAD remains the focal point in the United Nations for the integrated treatment of trade and development and interrelated issues in the areas of finance, technology, investment and sustainable development. Within this mandate, UNCTAD should continue to work through its three pillars to deliver meaningful results, utilizing available resources, enhancing synergies and promoting complementarities with the work of other international organizations. To that end, the Nairobi outcome document reaffirms and builds upon the Accra Accord and the Doha Mandate, which remain valid and relevant, while providing

updated policy analysis and policy responses, as well as guidelines to strengthen UNCTAD and to enhance its development role, impact and institutional effectiveness.

10. In all its activities, UNCTAD should give priority to issues of developing countries and countries with economies in transition, including LDCs, LLDCs, SIDS and other structurally weak, vulnerable and small economies. In addition, UNCTAD should:

(a) Mainstream sustainability and inclusiveness, in particular with respect to gender;

(b) Strengthen its engagement with stakeholders, particularly developing country Governments as well as civil society and the private sector;

(c) Collaborate with other international agencies as appropriate.

Sub-theme 1
Challenges and opportunities in multilateralism for trade and development

Policy analysis

11. Multilateralism has been the cornerstone of the post-Second World War international economic order and a major driving force of globalization, which has delivered unprecedented economic and social progress at a global scale. It has fostered international trade by removing trade-related barriers between national economies and reducing geographical barriers through improved transportation and communication across borders. With lower barriers, falling transportation costs, increasing financial and investment flows, technological advancements and the dawn of the information age, our world has become interconnected to a degree never experienced before.

12. An increasing number of developing countries and countries with economies in transition have integrated into the world economy, bringing an unprecedented expansion in international trade. Even countries that were marginal players in international trade some three decades ago have seen major increases in merchandise exports – fivefold in the case of LDCs. Increasing trade and foreign direct investment have been mutually supportive, contributing to the unprecedented transformation of many developing countries, some of which have become important engines of growth, regionally and globally, and major drivers of global trade and investment. Those developments have been important factors in lifting more than 1 billion people out of extreme poverty, most notably through the economic rise of emerging economies in recent decades.

13. Global trade is identified by the Addis Ababa Action Agenda as an important instrument for inclusive economic growth, sustainable development and poverty reduction, and the multilateral trade system is the primary channel for its promotion. A strong and efficient multilateral trading system is also a key element in finding solutions to the challenges of globalization, particularly equitable integration of developing countries into the global economy. An open, transparent, inclusive, non-discriminatory and rules-based multilateral trading system is needed for trade to serve as an engine of inclusive growth and development, and UNCTAD members have a common responsibility to maintain and promote a multilateral trade and development system from which all will benefit.

14. The experience of globalization in recent decades has also demonstrated that the nexus between international trade and development is affected by a variety of factors. Economic interdependence among countries has greatly increased, in particular through the accelerated integration of financial systems of developing countries into international financial markets and the global financial architecture. So too have the complex

interrelationships among trade, finance, technology, investment and sustainable development. Likewise, the 2030 Agenda and other recent landmark agreements, by their very nature, call for integrated global solutions to global challenges. Together, these factors highlight the need for new approaches to achieve the innovative, integrated and holistic solutions needed to address global economic problems while respecting the centrality of country leadership in development strategies and policies, and the associated need for policy space and good national governance to ensure that such strategies are effective in achieving collective global goals in local contexts. The need for an integrated approach to those issues, which is the defining characteristic of the activities and mandate of UNCTAD, has thus never been so great.

15. The need for effective global collective action to tackle cross-border challenges is also greater than ever before, and this requires multilateralism. Strengthening multilateralism therefore remains a continuing priority, particularly in addressing challenges that require collective action at the global level, such as tax evasion and avoidance, illicit capital flows, the organization and impacts of global value chains, macroeconomic policy coordination, sovereign debt crisis prevention and resolution, and other emerging issues. Only multilateralism can avert global environmental catastrophe, reverse economic failure at a global scale, such as that which led to the Great Recession, initiate genuine recovery and eradicate social deprivation. The 2030 Agenda for Sustainable Development both creates the opportunity for renewed multilateralism and global economic cooperation and highlights their necessity to achieve agreed international goals.

16. Ideally, multilateralism should be based on four key principles. It should encompass policy coordination among sovereign States, to ensure that action by public and private agents is consistent with global goals and national development priorities, and conducive to long-term global stability and prosperity. It should enable developing countries, in particular the least developed among them, to access sufficient resources for their sustainable development needs through domestic resource mobilization and from public and private international sources. It should establish, through multilateral frameworks, effective international rules consistent with the attainment of the internationally agreed Sustainable Development Goals while respecting the primary responsibility and the right of each country to determine its own economic and social development. It should allow responsive, inclusive, participatory and representative international decision-making through effective, accountable and transparent institutions, leading to mutually beneficial outcomes. In addition to these four principles, multilateralism should encompass implementation of international agreements reached through such mechanisms.

17. This is the ideal to which the United Nations aspires. Its role is critical, in light of its universal membership and democratic principles and the key responsibilities of its funds, programmes and specialized agencies in promoting inclusive and sustainable development.

18. Notwithstanding the considerable opportunities and benefits brought by multilateralism in the last 70 years, important challenges remain. The global economic system remains unbalanced, with wide socioeconomic gaps both between countries, and social groups and communities, and within them. The gains from globalization have been unevenly distributed, giving rise to extreme global inequality and a widening absolute gap between rich and poor countries over the last 30 years. Growth has been uneven, intermittent and often unsustainable, punctuated by damaging financial shocks and crises, and far too many nations and people are still left behind. One billion people remain in extreme poverty, and poverty is declining only slowly in many developing countries, especially in most LDCs. One fifth of humanity lives in States affected by conflict, and one tenth suffers chronic hunger.

19. It is therefore urgent and critical to improve the global economic environment to enable all countries, particularly LDCs, to implement the 2030 Agenda, by finding effective solutions to those problems and strengthening policy coordination. Reaching the levels of development needed to fulfil the Sustainable Development Goals and to achieve the universally shared long-term goal of prosperity for all will require action to overcome persistent constraints and imbalances, including by maximizing efficiency in the use of development funds and by challenging entrenched interests which impede necessary systemic reforms.

20. Of particular concern in the current global financial context is the close interlinkage between trade and international finance through the balance of payments. The deterioration in the global economic and trading environment for developing countries in recent years raises serious concerns about the sustainability of sovereign and private debt and vulnerability to exogenous shocks, as well as implies serious constraints on opportunities for inclusive and sustainable economic growth. For many developing countries that remain heavily dependent on commodity exports, market volatility, in part associated with financialization of commodities and speculation, further increases exposure to shocks. Such concerns are further reinforced by shortcomings in the current system of sovereign debt restructuring and workout mechanisms, which is highly fragmented and unbalanced, and has proved inefficient in resolving sovereign debt problems.

21. Global governance of international investment faces many challenges, including those arising from the problematic and fragmented regime of international investment agreements. The more than 3,000 international investment agreements raise concerns about their lack of consistency with national development priorities and lack of coordination with other policy areas and objectives, including industrialization, macroeconomic stability and sustainable development. Equally, current investor–State dispute settlement mechanisms create legitimate concerns about potential imbalances in favour of investors' rights and dilution of their responsibilities, while neglecting the need to safeguard the sovereign right of States to regulate.

22. Taxation will play a critical role in mobilizing resources to finance the infrastructure investments essential to harnessing trade for development and achieving the Sustainable Development Goals. However, the current system of taxing global profits is problematic, exacerbating inequality both within and across countries and allowing tax avoidance and tax evasion by multinational companies which significantly impair the capacity of host countries to achieve global goals. These are global issues that require multilateral action.

23. Technology plays a critical role in trade and development, including through its essential contribution to structural transformation, productive capacities, competitiveness and diversification of production and exports. It is thus a key means of implementation of the Sustainable Development Goals and one of the most important levers of change for achieving inclusive and sustainable development. In this respect, the launch of the Technology Facilitation Mechanism to support the implementation of the Sustainable Development Goals is a welcome development. It is important, however, that the support provided through the Technology Facilitation Mechanism is complementary to rather than duplication of the work currently carried out by the United Nations Commission on Science and Technology for Development.

24. In all these areas, inclusive and sustainable development requires an enabling international environment in the form of relevant policy frameworks, robust rules and effective cooperation, as well as a stable national macroeconomic policy framework. It also requires a fair, open, transparent, rules-based and development-oriented international trading system ensuring market access, and enhanced participation of developing countries, including LDCs, in global economic governance. Such a conducive national and international environment would contribute to supporting domestic productive investment,

increasing flows of stable long-term development finance and greenfield foreign direct investment to developing countries. Strengthening productive investment in developing countries is key to the incorporation and scaling-up of technologies to increase their productivity and competitiveness. Publicly available, high-quality statistics that adhere to international standards are also needed.

25. Trade liberalization that recognizes special and preferential treatment of developing countries through the World Trade Organization plays a central role in integrating developing countries positively into the global trading system, thereby contributing to growth, poverty reduction and sustainable development. While successful conclusion of the Doha Development Round of multilateral trade negotiations remains elusive, the World Trade Organization negotiating pillar should be reinvigorated, fully respecting its development mandate, and centred on the promotion of sustained, inclusive and sustainable development, including timely implementation of duty-free and quota-free market access on a lasting basis for all LDCs.

26. While regional integration can be an important catalyst to reduce trade barriers, implement policy reforms and increase participation in regional and global value chains, there is a need to ensure that bilateral, regional and plurilateral trade agreements contribute to a stronger multilateral trading system rather than a more fragmented and exclusive system, by promoting open rather than closed regionalism. Such agreements should be transparent, inclusive and consistent with World Trade Organization rules, and their collective implications for trade and development and their consistency with progress towards the Sustainable Development Goals should be kept under constant review.

27. Greater transparency is needed in commodities markets, in both source and destination countries, and this should include implementing methods to prevent tax avoidance. The rich resource endowment of the world's poorest countries, combined with massive capital flight from many commodity-dependent developing countries, highlights the need for a comprehensive assessment of the exploitation and marketing of primary commodities in both source and destination countries.

28. It is of crucial importance that the process of accession to the World Trade Organization by developing countries and countries with economies in transition should be consistent with World Trade Organization agreements and with their status, and based on clear rules and pre-established objective criteria.

29. The Aid for Trade initiative and the Enhanced Integrated Framework remain important in the context of trade and development. The effectiveness of Aid for Trade should continue to be improved, including by aligning its priorities more effectively with the binding constraints faced by recipient countries. Its poverty reduction potential can be enhanced by policies that extend opportunities to access the benefits of trade to both women and men living in poverty and that mitigate the costs of adjustment.

30. The Agreement on Trade Facilitation of the World Trade Organization is expected to accelerate the flow of goods between countries, improve transparency and reduce transaction costs. If implemented effectively, this should enhance mutual benefits to trading nations and thus promote global sustainable development, as well as generate welfare gains for consumers and businesses. However, there are potential implementation challenges for developing countries, particularly LDCs, and these should be carefully monitored.

31. Unilateral coercive measures have adverse effects, not only on the economies and development efforts of countries subject to them, but also on international economic cooperation and on worldwide efforts to move towards a non-discriminatory and open multilateral trading system. Such actions hinder market access, investments and freedom of transit, and the well-being of the population of affected countries. States are therefore strongly urged to refrain from promulgating and applying unilateral economic, financial or

trade measures that are not in accordance with international law and the Charter of the United Nations.

32. Given growing concerns about external debt sustainability, a clear institutional framework is needed to prevent and pre-empt financial and debt crises, including a predictable, efficient and fair multilateral framework to address sovereign debt problems and govern sovereign debt restructurings, and to ensure rapid restoration of debt sustainability and recovery from debt crises. Further improvement is needed in early warning, including through the development of statistical indicators to measure specific vulnerabilities and risks.

33. Debtors and creditors should work together to prevent and resolve unsustainable debt situations. While maintaining debt sustainability is primarily the responsibility of borrowing countries, lenders also have a responsibility to lend in such a way as to avoid undermining this objective. Transparent, fair, predictable, coordinated and legitimate lending would help to promote a durable and just solution to debt restructuring. The implementation of the basic principles on sovereign debt restructuring processes, as contained in United Nations General Assembly resolution 69/319, is an important advance in this regard. Where debt crises occur, negotiated and balanced debt restructuring should take place at the time when they materialize, helping to limit damaging effects on trade and development and to preserve national sovereignty to design and implement national development strategies. Of paramount importance, where multilateral solutions to debt problems cannot be implemented immediately, is the development of regional mechanisms to mobilize financial resources for development and help prevent unsustainable borrowing and lending strategies.

34. Strengthened macroeconomic and policy coordination is essential to address the structural and long-term problems exposed by the global financial crisis, so as to increase global macroeconomic stability, support global economic recovery and improve the global economic and trade environment, and minimize negative spillovers on developing countries.

35. Collective international action is also needed to improve control of financial flows and channel them to more productive uses in support of trade and development. More effective regulation of the financial system could help to redress the disjunction between global financial markets and long-term national development policies.

36. Reform of the current highly fragmented regime of international investment agreements is urgently needed to ensure that investment agreements properly contribute to inclusive and sustainable development. This would include a systemic approach that aims at safeguarding the right of developing countries to regulate in the public interest, reforming the investor–State dispute settlement system to balance the rights and obligations of investors and States, and enhancing systemic consistency.

37. Enhancing international cooperation on tax matters will be essential to progress towards the Sustainable Development Goals and stem the rise in inequality, including multilateral action to address tax avoidance and tax evasion. Establishing an international platform that provides timely and detailed commodity-price statistics would significantly help many developing countries to address tax avoidance through transfer mispricing.

38. Closing technological gaps between developed and developing countries, including through the Technology Facilitation Mechanism and the full operationalization of a technology bank for LDCs, is an indispensable requirement for poverty eradication, as technology is a key instrument for reducing inequalities within and among countries.

39. The enabling global economic environment needed to ensure equitable and sustainable development outcomes for all in the long run requires good global governance,

as well as a revitalized and reinvigorated Global Partnership for Sustainable Development, firmly based on the principle of common but differentiated responsibilities. While recent measures in the international financial system have brought welcome progress towards more representative decision-making, further movement is needed to broaden and strengthen the participation of developing countries in decision-making, and to ensure responsive, inclusive, participatory and representative decision-making on international financial issues.

The role of UNCTAD

40. In accordance with paragraphs 7 and 9 above, UNCTAD should:

(a) Continue to promote an enabling economic environment at all levels in support of inclusive and sustainable development, including by promoting multilateral solutions to common economic problems;

(b) Continue to provide a forum for the exchange of views and perspectives on the evolution and management of globalization and on the interdependence of trade, finance, investment and technology as they affect the growth and development prospects of developing countries, to help promote policies and strategies at the national and international levels that are conducive to inclusive and sustainable development, and consistent with the priorities established by the new development agenda;

(c) Support member States in finding consensus in addressing persistent challenges that hamper the trade prospects of developing countries, such as non-tariff measures;

(d) Conduct research and policy analysis on the development impact of foreign direct investment and the activities of multinational enterprises, including through non-equity modes of international production, to keep member States abreast of developments and enable them to assess their importance for development and devise and implement appropriate policy instruments;

(e) Continue and deepen its long-standing analytical and policy work on debt crisis prevention and resolution, to promote policies for responsible sovereign borrowing and lending, and increase the efficacy and fairness of sovereign debt restructuring processes;

(f) Develop statistical series and capacity in the fields of domestic debt, external private debt, debt composition and sovereign debt restructuring;

(g) Assist in international consensus-building and negotiation processes in the fields of international transport, trade logistics and trade facilitation, and continue to support the development and implementation of an appropriate legal and regulatory framework that facilitates and supports international transport and trade, and reduces costs;

(h) Continue to support increased participation of developing countries in the international trading system, including in multilateral and regional trade negotiations, as well as Aid for Trade;

(i) Continue its existing programme of meetings and consultations with member States on investment agreements in accordance with the Addis Ababa Action Agenda, maintain its role as a forum for international discussion and coordination on investment agreements, and assist member States in their efforts to strengthen their development dimension;

(j) Continue to monitor and assess the evolution of the international trading system and its trends from a development perspective, with particular attention to the potential contribution of the multilateral trading system to Sustainable Development Goals;

(k) Monitor and assess persistent and emerging development challenges to trade from a development perspective;

(l) Collaborate with commodity-exporting countries in order to address tax avoidance by developing an appropriate database on international commodity prices;

(m) Continue its work on the impact of non-tariff measures on trade and development prospects of developing countries and strengthen its cooperation on the topic with other relevant partners, including through participation in the multi-agency support team on the non-tariff measure database;

(n) Assess the implications of plurilateral and regional trade agreements for development prospects of developing countries;

(o) Continue its work on private standards and their effects on market access for developing countries;

(p) Monitor the implications of unilateral trade measures that may impede the effective achievement of the 2030 Agenda for Sustainable Development, particularly in developing countries;

(q) Assist LDCs in taking advantage of duty-free and quota-free schemes and in the area of rules of origin, support their efforts to benefit from the LDC services waiver and take advantage of targeted assistance in initiatives such as the Enhanced Integrated Framework and Aid for Trade;

(r) Assist developing countries, through analytical work and policy design, in the development of regional mechanisms to facilitate the mobilization of financial resources for inclusive and sustainable development;

(s) Contribute, as a member of the United Nations inter-agency task team on science, technology and innovation for the Sustainable Development Goals and as secretariat to the Commission on Science and Technology for Development, to the implementation of outcomes related to science, technology and innovation of the 2030 Agenda, including the Technology Facilitation Mechanism;

(t) Continue its work on the linkages between international trade, financial and macroeconomic issues, with particular emphasis on issues related to crisis management.

Sub-theme 2
Promoting sustained, inclusive and sustainable economic growth through trade, investment, finance and technology to achieve prosperity for all

Policy analysis

41. Promoting sustained, inclusive and sustainable economic growth is a fundamental prerequisite for job creation, technological upgrading, diversifying and transforming economies, narrowing the income gap within and between countries as well as between men and women, and for eradicating poverty and achieving sustainable development and prosperity for all. However, this requires effective policies and actions in trade, investment, finance, technology and sustainable development, to overcome weak economic growth and persistent and emerging challenges to strong and stable development. Inclusiveness and sustainability are key to achieving the 2030 Agenda for Sustainable Development.

42. Sustainable development is about meeting the needs of today without compromising the ability of future generations to meet their needs. It includes improving living standards, for example by protecting human health, conserving the environment and using resources

efficiently, while advancing long-term economic goals. The 2030 Agenda means embracing the economic, social and environmental pillars of sustainable development and integrating all of these sets of priorities into policies and programmes, according to local capabilities, conditions and needs. It means striking an appropriate balance between economic, social and environmental objectives, while promoting harmony with nature, ensuring environmental sustainability and tackling climate change. It requires action at all levels, by people, companies and public agencies, and ensuring that the decisions of each contribute to an excellent quality of life for both present and future generations. Such efforts can be enhanced by developing transparent measures of progress on sustainable development that go beyond per capita income to encompass the social, economic, and environmental aspects of domestic output and structural gaps at all levels, together with tools to mainstream sustainable development into national development strategies and to monitor its realization in different economic activities.

43. Inclusiveness is closely linked to the social pillar of sustainable development, and interdependent with its economic and environmental pillars. In part, it entails addressing the underlying causes of poverty, recognizing its multidimensional nature and interlinkages with other aspects of sustainable development. It also requires close attention to horizontal inequalities, in particular gender inequality, to ensure that all people have access to resources and opportunities. Achieving sustainable economic growth requires the talents, creativity, and entrepreneurial vigour of the entire population.

44. The realization of inclusive and sustainable development depends, inter alia, on trade serving as an engine for economic growth and poverty reduction. Trade should therefore play a key role in supporting the implementation of the 2030 Agenda for Sustainable Development and the Addis Ababa Action Agenda. With appropriate supporting policies, adequate infrastructure and an educated workforce, it can also help to promote productive employment, women's empowerment, food security and reduced inequality, and contribute to achieving some Sustainable Development Goals.

45. However, the effectiveness of trade in promoting growth and poverty reduction depends in part upon multisectoral investment and technological upgrading at the national level. Productive investment is critical, to drive growth, job creation, innovation and trade. So too is the finance needed to provide enterprises with the capital they need to realize their visions. Investment in infrastructure is equally essential as an enabling factor for development and a catalyst for growth, and to facilitate private and public investments and competitiveness.

46. Mobilization of financial resources for investment in the real economy, particularly in infrastructure and production capacity, thus plays a key role in trade and development. Raising public as well as private investment, both domestic and foreign, including effective utilization of diaspora investment, will be critical. When effectively managed and aligned with national and regional sustainable development strategies, foreign direct investment can make a significant contribution to strengthening productive capacities, including through dissemination of knowledge and technologies to domestic companies, as well as creating employment and raising incomes.

47. Official development assistance continues to be a vital source of financing for development, which, by virtue of targeting the eradication of poverty in its multiple dimensions, is particularly important to the achievement of the Sustainable Development Goals. It has an important role in helping countries to address knowledge, skill and infrastructure gaps, in supporting the development of regulatory frameworks necessary to economic growth and stability, and in improving natural resource management. It can also serve as a catalyst in accessing private sector and/or domestic public resources, including through the strategic use of development finance and philanthropic funds to mobilize private capital flows to emerging and frontier markets.

48. Technology is a key means of implementation of sustainable development policies. Closing technological gaps is both essential for poverty eradication and a key instrument for reducing inequality within and among countries. For the majority of the developing countries, however, particularly LDCs, LLDCs and SIDS, the potential of science, technology and innovation remains unfulfilled. Foreign direct investment and trade can play a key role in disseminating technologies to domestic companies where domestic policies are conducive to technology transfer. However, the potential developmental benefits depend on domestic companies having the technological capabilities necessary to absorb them. Such policies and capacity are thus important constraints to benefits from international trade and foreign investment.

49. South–South cooperation has an important role in inclusive and sustainable development, in both finance and technology. By assisting developing countries in establishing development paths that promote equity, openness, comprehensiveness and innovation, South–South cooperation can be a major vehicle in support of the realization of the 2030 Agenda. Stronger economic ties among developing countries will also continue to have a positive impact on trade and financial flows, building of local technological capability and economic growth in developing countries.

50. Each country has the primary responsibility for its own economic and social development, and the right to adopt measures to this end tailored to its own local capabilities, conditions and needs. However, the success or failure of such national strategies depends critically on a conducive and inclusive enabling environment at the international level, including coherent and mutually supporting world trade and monetary and financial systems.

51. Sustainable and inclusive development thus requires national efforts to promote inclusive and sustainable development to be matched by reforms at the international level to create such an environment. In endorsing the 2030 Agenda and the Addis Ababa Action Agenda, the global community has committed itself to the pursuit of an enabling environment for sustainable development nationally and internationally, and to facilitating the means of implementation of the Sustainable Development Goals, at all levels.

52. As highlighted by the 2030 Agenda, fulfilment of the official development assistance commitments of developed countries, reaffirmed again in the Addis Ababa Action Agenda is interlinked with and indivisible from achievement of the Sustainable Development Goals and targets. This includes, inter alia, commitments to achieve the target of 0.7 per cent of gross national income (GNI) for official development assistance to developing countries and 0.15 to 0.20 per cent of GNI for official development assistance to LDCs. Private and public financing for sustainable development should be predictable and sustainable, and private sector financing should be complementary to, and not a substitute for, public financing. Likewise, South–South cooperation, as a manifestation of solidarity among developing countries is a complement to, and not a substitute for, North-South cooperation.

53. Prudent debt management and monitoring is an important element of comprehensive national financing strategies and critical to reducing vulnerabilities. Since many developing countries, including a number of LDCs and SIDS, remain vulnerable to debt crises, assistance continues to be necessary to attain long-term debt sustainability through coordinated policies aimed at fostering debt financing, debt relief, debt restructuring, sound debt management and responsible external sovereign borrowing and lending. The role of UNCTAD in this regard remains critical, including through promotion of its principles on responsible sovereign lending and borrowing.

54. While increasing public investment is necessary to achieving the Sustainable Development Goals, there is also untapped potential for private sector participation.

However, mobilizing and channelling that potential faces a number of policy dilemmas and challenges, including those surrounding public–private partnerships. Leadership and coordination are needed, nationally and globally, to provide guiding principles to deal with such policy dilemmas, ensure policy coherence, avoid hidden costs and catalyse action. The UNCTAD action plan for investing in the Sustainable Development Goals can provide guidance in this regard.

55. More generally, there is a need for additional sustainable productive investment in developing countries, particularly LDCs, SIDS, LLDCs and other structurally weak, vulnerable and small economies, African countries and countries in conflict and post-conflict situations. There is a need for a new framework, nationally and internationally, to guide investment policy, to ensure coherence with other public policies, including through support to long-term financing for small and medium-sized enterprises and promotion of public investment in infrastructure, and to orient foreign direct investment to the needs of the real economy, as outlined in the UNCTAD Investment Policy Framework for Sustainable Development. Investment policies in developing countries should also seek to tackle tax avoidance and evasion and to ensure that tax exemptions to investors do not curtail public revenues, adversely affect investment levels or disadvantage domestic enterprises.

56. Inclusive and sustainable development requires building productive capacities, closing technology gaps between developed and developing countries and reducing the technological dependence of developing countries. This underscores the need for investment in indigenous technological capabilities, for sustained and proactive science, technology and innovation policies that promote technological absorption and for promotion and support of research and development.

57. Closing the technology gap also requires the dissemination and transfer of environmentally sound technologies that meet the actual needs of developing countries, to support localized production and industrial upgrading, with financial support on concessional and preferential terms where appropriate. Knowledge transfer from diasporas can also make an important contribution. Developed countries should provide incentives for enterprises and other institutions in their territories to transfer to LDCs the technologies needed to create a sound and viable technological base, in accordance with article 66.2 of the World Trade Organization Agreement on Trade-Related Aspects of Intellectual Property Rights. International barriers to technological development should also be removed.

58. Information technology and the digital economy, including electronic commerce (e-commerce), are likely to have an increasing impact on global trade and development. Further research is needed on the implications of these issues for trade and development.

59. Hence, achieving the Goals of the 2030 Agenda will require a revitalized and reinvigorated Global Partnership for Sustainable Development, based on a spirit of strengthened global solidarity, focused in particular on the needs of the poorest and most vulnerable and with the participation of all countries, all stakeholders and all people. The new Partnership should be based on the principles of shared responsibility and mutual accountability, and reflect the relative capacities of different countries, including through the principles of common but differentiated responsibilities and special and differential treatment. The revitalized Global Partnership for Sustainable Development should continue to be anchored on States and focus on enhancing the three pillars of sustainable development in a balanced and complementary manner.

The role of UNCTAD

60. In accordance with paragraphs 7 and 9 above, UNCTAD should:

(a) Analyse the increasing interdependence in the global economy and how it affects economic progress and stability, both positively and negatively, in developing countries;

(b) Undertake research and analysis and provide technical assistance on the changing international trade landscape, including identifying means of stimulating economic diversification, reducing trade cost, promoting value added production in global value chains for goods and services and exploiting opportunities arising from South–South and intraregional trade;

(c) Support developing countries in the formulation and implementation of coherent national trade policy and regulatory frameworks and their integration into national development strategies and macroeconomic policies to create an enabling environment for inclusive and sustainable development;

(d) Continue to support commodity-dependent developing countries, particularly in Africa and LDCs, through policy reviews, dialogues and technical assistance in maximizing the development benefits of links between commodity production and trade;

(e) Continue to address the nexus between trade, finance, development and environment through research and technical cooperation on environmental sustainability, sharing of best practices and assistance to member States in developing sustainable natural resource management systems and appropriate responses to impacts of climate change;

(f) Continue to assess the role of official development assistance as a source of financing for development, particularly in the context of the emergence of new sources of financial assistance in conjunction with the Sustainable Development Goals;

(g) Strengthen its work on issues related to South–South cooperation and integration, including by upgrading data and analytical tools and building a statistical database, and analysis of its development impact and potential role in strengthening the global economy;

(h) Continue its work in transport, including maritime transport, ports, and multimodal and transit transport to reduce transport costs, enhance trade and port efficiency, and improve transit, trade facilitation and transport connectivity, with particular attention to the needs of SIDS, LLDCs and other vulnerable economies. In this respect, UNCTAD should assist developing countries in identifying and leveraging existing and new sources and mechanisms of finance;

(i) Contribute to strengthening cooperation between LLDCs and their transit neighbours, including by harmonizing policies in regional and transit infrastructure development and streamlining customs and border crossing procedures;

(j) Continue to assist developing countries in enhancing the sustainability and climate resilience of their transport systems and infrastructure, including coastal transport infrastructure and services and transport corridors, and establish a standing expert group on sustainable and resilient transport infrastructure services and trade logistics;

(k) Continue to contribute to policy dialogue and cooperation mechanisms in support of sustainable transport, climate change adaptation and disaster risk reduction for transport infrastructure, services and operations, including collaborative efforts to support and strengthen the conservation and sustainable use of oceans and their resources;

(l) Promote extensive use of renewable and low-emission energy sources and technologies that generate a more diverse and sustainable energy mix;

(m) Continue and strengthen its work on trade in services, including through its intergovernmental machinery, and support trade negotiations on services;

(n) Assist developing countries, and in particular LDCs, in strengthening their capacities to harness the potential of tourism for inclusive growth, sustainable development and graduation from the LDC category;

(o) Support responsible investment initiatives, including the Sustainable Stock Exchange and the Business Schools for Impact initiatives, building on its action plan for investing in the Sustainable Development Goals, to channel investment into Sustainable Development Goal sectors and to promote corporate social responsibility and related environmental, social and governance reporting standards;

(p) Develop and promote a new generation of investment promotion and facilitation strategies, institutions and best-practice policies to align investment with inclusive and sustainable development objectives;

(q) Assist developing countries in the area of intellectual property rights and their role in technological upgrading, productive capacity-building and access to medicines, including through integration of science, technology and innovation policies;

(r) Promote effective international and national policies to help developing countries harness science, technology, innovation and entrepreneurship as an effective means of implementation of the Sustainable Development Goals through policy analysis, sharing of experiences and policy-oriented capacity-building;

(s) Continue to improve access to data and statistics on the information economy to assess policies and measure impact, including through the Partnership on Measuring Information and Communications Technology for Development;

(t) Facilitate multi-stakeholder dialogue on how to expand the benefits from e-commerce and digital trade in developing countries;

(u) Contribute to the implementation of the outcomes of the World Summit on the Information Society, including the outcome document of the high-level meeting of the General Assembly on the Overall Review of the Implementation of the Outcomes of the World Summit on the Information Society, particularly with regard to its facilitation role in the relevant action lines and in its capacity as secretariat to the Commission on Science and Technology for Development;

(v) Continue its work on trade facilitation and further strengthen its support to trade facilitation reforms, including implementation of the Agreement on Trade Facilitation (Bali, Indonesia);

(w) Assist developing countries, in particular LDCs, and countries with economies in transition, in designing strategies and policies to attract foreign investment that contributes to inclusive growth and the Sustainable Development Goals, including through participation in global value chains;

(x) Contribute to building effective public–private partnerships in the area of trade in order to promote and achieve sustainable development in developing countries;

(y) Reinforce its work on the links between gender equality, women's empowerment and trade and development, and support member States in the design and implementation of policies and establishment of institutions that support women's economic empowerment, economic security and rights and enhance their economic opportunities;

(z) Support developing countries in enhancing the impact of the diaspora, particularly in LDCs, including designing policies that promote development benefits of migrants' remittances and diaspora knowledge transfer, investment and trade;

(aa) Expand its programme of assistance to the Palestinian people, building on its previous work, including through promoting Palestinian sustainable development, and further develop the capacity-building necessary to the efficient functioning of the Palestinian economy and its institutions;

(bb) Continue to work with universities and research institutes located in developing countries and countries with economies in transition to strengthen their research and teaching capacities on trade and development and interrelated issues of finance, technology, investment and sustainable development.

Sub-theme 3
Advancing economic structural transformation and cooperation to build economic resilience and address trade and development challenges and opportunities, at all levels, within the UNCTAD mandate

Policy analysis

61. Increasing resilience to social, economic and environmental shocks is critical to sustained growth and sustainable development. Key elements of such resilience are structural transformation, the development of productive capacities, economic diversification and industrialization. Poverty reduction and development efforts focused on stimulating sustainable long-term economic productivity and competitiveness can also play a role by generating domestic revenues to help build resilience, including through investment in physical and human infrastructure.

62. Structural economic transformation through diversification into more modern and technologically advanced activities and the production of higher value products is a key condition for resilience-building and sustainable long-term growth. However, structural transformation has proved challenging, partly reflecting limited technological development, poor infrastructure, in particular access to electricity, weak skills bases, domestic supply-side constraints and an unfavourable global economic environment, in particular uncertainty in global financial and commodity markets. Meeting those challenges will require effective mobilization of resources from both domestic and external sources to finance the investment essential to promote structural transformation.

63. Closely connected to structural transformation, and central to inclusive and sustainable development, is the development of productive capacities. Building productive capacities requires holistic and integrated approaches to exploit the nexus between investment, trade, finance and technology and to promote localized production and industrial upgrading.

64. Diversification of production, together with increasing productivity in traditional sectors such as agriculture, is critical to increasing economic resilience and building the productive capacities needed to create jobs, generate sustainable livelihoods, increase incomes and improve quality of life. It is also critical to the establishment of inclusive and sustainable development paths and to meaningful benefits from participation in global value chains and the international trading system. Diversification is particularly important in commodity-dependent countries, to reduce exposure to volatile international commodity markets and facilitate movement up global and regional value chains. Infrastructure investments, transfer of environmentally sound technologies, capacity-building and training

in transferable skills are needed to increase value added from extractive trade activities along a value chain. They are also necessary to diffuse the benefits of resource rents to the wider economy, develop upstream and downstream activities and help local communities to take advantage of the resulting opportunities.

65. At the international level, successful diversification requires an enabling global trading regime focused on the achievement of inclusive and sustainable development and sustained growth. It also requires industrialization and enhanced productive capacity to enable moving up value chains sustainably. An international economic environment that fails to support diversification in developing countries will fall short of meeting the needs of the 2030 Agenda for Sustainable Development.

66. Industrialization, in particular, is a critical source of growth, job creation and value addition, as well as a major source of inputs for the rural economy and a basis for the development of high-value services. This has been at the heart of the analytical and policy-oriented work of UNCTAD since its foundation in 1964, and is now incorporated as an objective in the Sustainable Development Goals, together with related targets in the fields of industrial diversification, entrepreneurial and technological upgrading and progress.

67. Industrialization, structural transformation, development of productive capacities and diversification are all dependent on investment, which is also central to inclusive and sustainable development, employment and innovation, and harnessing trade successfully for growth and poverty reduction.

68. Though not a goal in itself, entrepreneurial activity can help to generate sustainable economic growth. Developing and strengthening local enterprises and their entrepreneurial and technological capabilities can contribute substantially to inclusive and sustainable development and facilitate their successful integration into global and regional value chains. Governments can play an important role in this regard, including by promoting investment in microenterprises, small and medium-sized enterprises and improving their access to finance, technologies and services. A particular challenge is posed by very large and growing informal sectors in many developing countries, partly reflecting a combination of complex socioeconomic transformation processes, the absence of an enabling economic environment for development and a rate of industrialization insufficient for surplus labour to be absorbed into formal markets.

69. Investment in physical and human infrastructure development and maintenance is essential to inclusive and sustainable development and critical to economic growth and poverty reduction. Inadequate basic infrastructure physically disconnects many people in developing countries, restricting market size, hampering production and raising trade costs as well as contributing to social exclusion.

70. Each country needs to adopt measures tailored to its own particular circumstances and priorities. There is thus no single universal policy blueprint for inclusive and sustainable development. Rather, in exercising their right and fulfilling their responsibility to advance their economic and social development and improve the welfare of their people, countries must select from the different approaches, visions and tools available, in accordance with local capabilities, conditions and needs and a country's history and evolving role in the global economy.

71. Some commonalities may nonetheless be identified in the policies and institutions needed for inclusive and sustainable development. A key requirement is an accountable Government willing and able to adopt effective and transparent public management of the economy. The central role of an effective State in promoting equitable and sustainable development has long been recognized, particularly by UNCTAD. This role extends beyond mitigating market failures and imperfections. An effective developmental State is also needed to bring about markets, to direct resources from low value added to higher

productivity sectors and to build meaningful partnerships with States and foreign companies. Open trade and free markets should be governed by prudent policy and sound regulation, avoiding the extremes of protectionism on the one hand and ungoverned markets on the other, and macroeconomic and social policies should focus on job creation, social inclusion, infrastructure investment and interconnectivity.

72. It is thus crucial to ensure that States have the capacity needed for effective policy design and implementation, including for appropriately targeted trade and industrial policies, incentives for strategic sectors and appropriate market regulation, to deliver growth and development and build resilience in the interest of the population as a whole.

73. Another common component of national policies for inclusive and sustainable development is the creation of a safe, stable and attractive environment for enterprise and industry, including through appropriate macroeconomic policies which support demand and better income distribution. Such an environment should stimulate entrepreneurship, reward innovation, offer opportunities and incentives for productive investment and be open to competition and market expansion. Policies and multinational business practices should enable local firms of all sizes, particularly small and medium-sized enterprises, both to participate in and benefit fully from regional and global value chains to increase value addition. There is potential to enhance the developmental impact of cooperation between the public and private sectors, including through appropriately designed public–private partnerships and innovative financial instruments where appropriate. This requires rules for responsible investment and clear guidelines for private sector engagement that go beyond current approaches to corporate social responsibility, and international standards for corporate accounting and reporting.

74. Fair, sound and robust national competition and consumer protection regimes are also important, as is international cooperation, information exchange and capacity-building in these areas, particularly in light of the expansion of global markets, increasing role of transnational companies, information and communications technology revolution and emergence of e-commerce.

75. Strengthening infrastructure through increased investment is a high priority. This requires identifying and addressing infrastructure gaps in developing countries, in particular LDCs, SIDS, LLDCs and other structurally weak, vulnerable and small economies, and in African countries, and highlighting environmentally, socially and economically sustainable opportunities for investment and cooperation. Increasing tax revenues is critical to overcome the constraints imposed by limited financial resources. Regional approaches to mobilizing and utilizing financial and real resources to develop human and physical infrastructure are of key importance. With effective regional collaboration and regulation, increasing integration of infrastructure systems within and across regions also offers potentially significant benefits through strengthening regional connectivity to meet social needs, by sharing resources and exploiting potential economies of scale.

76. Sound investments in human capital, education, training, health and nutrition are also important to structural transformation, the development of productive capacities and sustainable and inclusive development, through the development of a diverse, skilled and qualified workforce that meets the demands of the economy and society. The universality of this need, to LDCs, countries facing a middle-income trap, emerging markets and countries with economies in transition, makes this a globally important area of action.

77. The achievement of sustainable development in all three of its dimensions requires learning the lessons of earlier development strategies that neglected human and environmental concerns. Of particular importance is inclusiveness, to ensure that all people have access to resources and opportunities, including women, youth, elderly persons, persons with disabilities, migrants, indigenous peoples and others in vulnerable situations.

This contributes to the economic pillar of sustainable development as well as the social pillar. Women and young people, in particular, have a potentially transformative effect on development.

78. The 2030 Agenda for Sustainable Development and the Addis Ababa Action Agenda highlight the critical role of women in development and the potential of gender equality and empowerment of women and girls as a driver of structural transformation. Women comprise more than 40 per cent of the workforce globally, and 45 per cent in LDCs, and play a critical role as producers and traders, but they are concentrated in low-productivity, low-paying employment, receive less income and are more often in vulnerable employment, while businesses owned by women are on average less profitable and slower growing. Addressing the constraints to women's economic empowerment and to their participation in growth and development is thus fundamental to sustained, inclusive and sustainable economic growth, poverty reduction and food security, as well as to gender equality. This includes actions to address specific challenges to their equal and active participation in domestic, regional and international trade. Economic empowerment is intertwined with social and political empowerment, and can in itself bring about greater empowerment by changing perceptions of women's roles, improving their bargaining position and increasing investment in girls' education.

79. While development itself can promote greater gender equality, women's economic empowerment also requires working to secure their rights, increasing their skills and knowledge in areas demanded by the labour market, enhancing their access to productive resources, improving enabling and institutional environments, enhancing their ability to make and act upon decisions to benefit from economic opportunities, and taking account of gender differences in policy impacts. The role of the financial sector in promoting the entrepreneurship of both women and youth also merits particular attention.

80. Youth unemployment is a particular concern, as it stifles the transformative potential of young people in sustainable development. Investment, especially in education, training and technology, is needed to empower young people and foster active citizenship. So too is a nurturing environment for the full realization of their rights and capabilities. This includes education to increase literacy, numeracy and skills relevant to decent jobs, entrepreneurship and the needs of the private sector.

81. Integrating environmental considerations into national strategies, and ensuring harmony with nature, is equally essential to the long-term sustainability and success of development strategies. Such considerations should be viewed as part of a holistic approach encompassing the economic and social pillars of sustainable development, taking account of the effects on trade and competitiveness of activities oriented to environmental concerns.

The role of UNCTAD

82. In accordance with paragraphs 7 and 9 above, UNCTAD should:

(a) Provide statistics, analytical work and technical assistance to developing countries, particularly LDCs, and countries with economies in transition, in the areas of trade, economic diversification, industrial policies and the effective mobilization of financial resources for structural transformation, to enhance growth and development and to integrate beneficially into the global economy, including through development of sectors and activities that generate greater value addition and effective exploitation of trade opportunities offered by global and regional initiatives;

(b) Continue efforts to promote strategies for the structural transformation of developing countries and countries with economies in transition, working closely with other United Nations agencies and other relevant international organizations;

(c) Develop statistics and conduct research on emerging and long-standing development challenges to LDCs and analyse national and international policy strategies and programmes aimed at their graduation and sustainable development to provide practical solutions and policy options, including through promotion of investment and entrepreneurship and building productive capacities;

(d) Continue and strengthen technical cooperation activities in LDCs through training and capacity-building;

(e) Assist LLDCs in formulating and implementing policies and strategies centred on fostering productive capacities and structural economic transformation, in accordance with the Vienna Programme of Action;

(f) Continue to assist SIDS in their efforts to address their physical and economic vulnerabilities, promote structural economic transformation and build resilience in accordance with the Samoa Pathway;

(g) Continue activities to disseminate research findings and policy analysis on LDCs and intensify policy dialogue with LDC policymakers;

(h) Address the specific challenges faced by middle-income countries and propose policies to tackle the slow pace of diversification and reverse premature deindustrialization;

(i) Assist structurally weak and vulnerable small economies in their efforts to foster sustained economic growth and sustainable and inclusive development, and report annually to the Trade and Development Board on activities undertaken by the secretariat in support of structurally weak and vulnerable small economies;

(j) Continue to provide analytical and technical support to address the special concerns and needs of Africa, including as articulated under the New Partnership for Africa's Development;

(k) Provide an operational methodology for, and policy guidelines on, mainstreaming productive capacities in national development policies and strategies, including through development of productive capacity indices, so that productive capacities are placed at the centre of national and international efforts to address the specific needs and challenges of LDCs and LLDCs;

(l) Assist LDCs to progress towards and prepare for graduation from the LDC category, including strategies for facilitating a smooth transition, a clear understanding of the post-graduation environment and challenges and of the need to build productive capacities, and promote structural transformation necessary for post-graduation sustainable development;

(m) Support developing countries and countries with economies in transition in diversifying production and exports into new growth areas such as sustainable and organic agriculture, greener goods, creative industries and the blue economy;

(n) Devise approaches to stimulating economic diversification and promoting higher value added production, including through trade, investment and entrepreneurship, with a view to providing equal economic opportunity for all, especially in LDCs, with a particular focus on women and youth;

(o) Strengthen the capacity of commodity-dependent developing countries to reduce short-term negative effects of price volatility through instruments for market risk management;

(p) Promote sustainable trade in biodiversity products and services to strengthen the viability of biodiversity and sustainable growth;

(q) Conduct policy analysis and identify policy options aimed at strengthening domestic and international resource mobilization in developing countries and countries with economies in transition, in accordance with the Addis Ababa Action Agenda;

(r) Assist LDCs in assessing progress towards structural transformation, resilience-building, resource mobilization, economic diversification and competitiveness in support of their national development strategies, including through the analysis of policy best practices;

(s) Continue and strengthen its work on infrastructure services (e.g. financial, energy, transport and telecommunication services) and support developing countries in the establishment of policy, regulatory and institutional frameworks that contribute to infrastructure development;

(t) Assist developing countries in building a macroeconomic and business environment that stimulates enterprise competitiveness and maximizes investment opportunities;

(u) Develop and disseminate further its Entrepreneurship Policy Framework and assist developing countries in building a competitive small and medium-sized enterprise sector, including through its Empretec programme, with particular attention to the most vulnerable, including through promotion of youth and women's entrepreneurship as well as smallholder farmers;

(v) Assist developing countries, through continued work on trade, investment and enterprise development, in enhancing their productive capacity-building, industrialization, economic diversification, job creation and progress towards the Sustainable Development Goals by supporting their adoption and adaptation of appropriate policy frameworks;

(w) Continue to assist developing countries and countries with economies in transition to formulate and implement competition and consumer protection policies and laws, with a view to fostering competitiveness and eliminating domestic and cross-border anti-competitive practices, including through peer reviews and sharing of best practices;

(x) Facilitate international cooperation among competition and consumer protection agencies and among international organizations to allow States to address more effectively the challenges to enforcement of competition and consumer protection laws;

(y) Promote consumer protection and international cooperation, including by implementing the revised United Nations Guidelines for Consumer, in accordance with General Assembly resolution 70/186;

(z) Advance its work on international standards of accounting and reporting by promoting best practices in corporate transparency and accounting, including through the use of its Accounting Development Tool;

(aa) Continue to develop new statistics on investment, the creative economy and the global economy.

Sub-theme 4
Contributing to the effective implementation of and follow-up to the 2030 Agenda for Sustainable Development and relevant outcomes from global conferences and summits, as related to trade and development

Policy analysis

83. The 2030 Agenda for Sustainable Development is a historic agreement of unprecedented scope and significance that will shape the global economic and development agenda for the next 15 years and require the full engagement of the entire international community, including UNCTAD. The success of the new development agenda will depend on all members of the international community playing their respective roles in its implementation. The role of UNCTAD within this broader process will be determined primarily by its mandate but also its ability to ensure that its research and analysis and technical cooperation activities contribute to the implementation of the 2030 Agenda and by its capacity to strengthen synergies between the three pillars of UNCTAD and mainstream result-based management through its integration as standard practice into all three pillars to ensure the expertise of UNCTAD is applied with impact.

84. 84. However, the 2030 Agenda is not merely a set of Goals, but rather a plan of action urgently requiring bold and transformative steps. All countries have committed themselves to implement the necessary changes, nationally and internationally, in collaborative partnership with other stakeholders, in a spirit of strengthened global solidarity. These steps are included in the 2030 Agenda itself, as means of implementation, which are indivisible from, and of equal status with, the goals for sustainable development outcomes. They are also, in part, reflected in the Addis Ababa Action Agenda.

85. While the primary means of fulfilling the 2030 Agenda is through national sustainable development strategies, the success of those strategies is critically dependent on financing and creating an enabling international environment. This will require intensive global engagement in support of implementation and mobilization of all available policy instruments. Effective and decisive action by international bodies, particularly the United Nations and its specialized agencies, is thus critical, as part of a revitalized Global Partnership for Sustainable Development, as are outcomes of negotiations in other international forums such as the World Trade Organization. It is also important to ensure that international agreements, rules and standards are not only mutually consistent, but also consistent with progress towards the Sustainable Development Goals.

86. Effective implementation will require sound policy frameworks and statistics at the international level, based on pro-poor and gender-sensitive development strategies. This includes, in particular, ensuring coherent and mutually supporting world trade, monetary, financial and development systems based on stronger global economic governance and enhanced cooperation between international institutions. It will require harnessing international trade as an engine for inclusive economic growth, poverty reduction and sustainable development through a universal, rules-based, open, transparent, predictable, inclusive, non-discriminatory and equitable multilateral trading system. It will mean limiting excessive volatility of commodity prices and ensuring proper functioning of markets for food commodities and derivatives. An enabling international environment is also needed for technology, including regulatory and governance frameworks that nurture science and innovation and promote the development, dissemination, diffusion and transfer of environmentally sound technologies to developing countries on favourable terms.

87. The challenge of achieving the Sustainable Development Goals is compounded by the current uncertainty in the international environment as the global economy struggles to

emerge from the global financial crisis. Success will thus depend on a global monetary and financial system conducive to financial stability, as well as mobilizing the additional resources needed for investment and improving international tax cooperation to strengthen domestic revenue bases. This includes, inter alia, better early warning of macroeconomic and financial risks and an effective global financial safety net, including more comprehensive and flexible financial responses to the needs of developing countries.

88. Achieving those changes will depend on creating a more coherent, inclusive and representative global architecture for sustainable development. As envisaged in the 2030 Agenda, this requires responsive, inclusive, participatory and representative decision-making through effective, accountable and inclusive international institutions, with broader and stronger participation by developing countries. It also requires the leadership of an adequately resourced, relevant, coherent, efficient and effective United Nations.

89. UNCTAD has an important role in this process. Previous quadrennial conferences have mandated UNCTAD to implement and follow up relevant outcomes from global conferences and summits on development, and trade and interrelated issues of finance, technology and investment play a key role in supporting the implementation of the 2030 Agenda for Sustainable Development and the Addis Ababa Action Agenda.

90. The challenges and commitments contained in the 2030 Agenda, the Addis Ababa Action Agenda and other recent agreements encompass all elements of the core mandate of UNCTAD, and they are closely interrelated, requiring integrated and holistic solutions. The Sustainable Development Goals and the associated targets, in particular, including the means of implementation, are multidimensional, interlinked and indivisible. The 2030 Agenda itself emphasizes that these interlinkages and the integrated nature of the Agenda are of crucial importance to ensuring that its purpose is realized.

91. Thus these recent agreements confer an essential role on UNCTAD, as the focal point in the United Nations for the integrated treatment of trade and development and interrelated issues. UNCTAD already plays an important role in the implementation of and follow-up to the Istanbul Programme of Action, the Vienna Programme of Action and the Samoa Pathway.

92. By virtue of its mandate, UNCTAD provides important added value within the international system, and has a critical role in the implementation of recent global agreements, including the goal of revitalizing the Global Partnership for Sustainable Development. In particular, it provides a useful platform for dialogue between developed and developing countries, and its intergovernmental machinery is an important element of global good governance, as a channel for articulating the interests of developing countries within a transparent system of checks and balances.

93. However, its contribution depends in part upon raising the profile of its work programme and its role as the focal point within the United Nations system for the issues falling under its core mandate. It also depends upon strengthening UNCTAD's capacity to fulfil this role effectively and efficiently, including by improving its outreach and engagement with all stakeholders, and by monitoring and benchmarking the impact of its activities and ensuring that its work under all three pillars reflects the mandated role and comparative advantage of UNCTAD, as defined by its expertise in policy dialogue, research and analysis and capacity-building.

94. Strengthening the effectiveness of UNCTAD contributions implies intensifying mutual cooperation and communication with other United Nations agencies and international organizations. This can contribute to more efficient resource use by increasing coherence, clarifying institutional responsibilities and allowing each agency to focus on its areas of comparative advantage while offering opportunities for synergies between them. It can also help to avoid duplication. The role of UNCTAD in the implementation of the

2030 Agenda and Addis Ababa Action Agenda thus offers the opportunity to strengthen the networking and interaction of the global community on trade and development, and interrelated issues in the areas of finance, technology, investment and sustainable development.

95. UNCTAD has a unique and central role as a producer and provider of statistics across all areas of its work. In addition to the integrated treatment of trade with other global and macroeconomic issues from a development perspective, UNCTAD should also continue to pursue its established comparative advantage in capacity-building on trade, finance and development and in the field of investment policy.

96. In focusing on its areas of comparative advantage within its mandate across the three pillars of research, technical assistance and consensus building, UNCTAD should strengthen its role in areas where it can have the greatest impact in supporting developing countries in addressing their needs and priorities for sustainable development and strengthening their role in the global economy. This focus can be supported by strengthening its orientation and accountability to stakeholders, particularly to developing country Governments as its primary requesters and the principal subjects of its research and recipients of its services. Cooperation with civil society should also be strengthened, to enhance their advocacy for inclusive sustainable development, as should consultation with other private sector actors to identify key obstacles to investment, particularly in LDCs. Stakeholder participation in identifying needs and in the design of programmes and initiatives, as well as providing feedback to assess their relevance and effectiveness and to promote institutional learning, could also contribute to increasing the effectiveness of UNCTAD.

97. UNCTAD should maintain its primary focus on LDCs, LLDCs, SIDS, African countries and other structurally weak, vulnerable and small economies, while also taking account of the continued challenges faced by some other developing countries and countries with economies in transition and continuing to support their efforts to address these challenges. Emphasis on graduation from the LDC category should be increased, including through continued provision of advisory services and policy analysis in collaboration with Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States. Work on LLDCs should focus on support to effective implementation of the Vienna Programme of Action. Similarly, UNCTAD should contribute to the implementation of the Samoa Pathway by providing support to SIDS in areas within its mandate.

98. The three pillars of consensus-building, research and analysis and technical assistance remain of equal strategic importance. Further efforts are needed to increase the linkages and complementarity between the three pillars, and to strengthen the synergies among them, to enhance the contribution of UNCTAD to the implementation of the 2030 Agenda. The intergovernmental processes should determine the institution's direction and provide the political context for its research and analytical work, which in turn should inform and support consensus-building on development challenges. Technical cooperation should support the intergovernmental processes as well as operationalize the analytical work of UNCTAD. Such an approach could contribute to improving the integrity and effectiveness of UNCTAD as a whole in its follow-up to major conferences. Inclusiveness, including in particular gender equality and the empowerment of women and girls, should be mainstreamed across all three pillars of UNCTAD work.

99. UNCTAD XIV should resume the practice of conducting a midterm review, to evaluate progress towards the implementation of Conference outcomes and the adequacy of the existing intergovernmental machinery to fulfil their ambitions. This should provide a basis for adjustments to ensure that the consensus-building pillar of UNCTAD makes a robust and meaningful contribution to the accomplishment of the global development

agenda. The Trade and Development Board should organize special sessions to provide UNCTAD perspectives in the appropriate stages of the substantive preparatory processes of relevant United Nations conferences and summits on development. In accordance with existing practice, the outcomes of those special sessions should be a president's summary of the proceedings.

100. The existing intergovernmental machinery of UNCTAD should be maintained, improved and reoriented towards the new global development agenda. The Geneva Dialogues should continue as a mechanism for the continued analytical and research-based discussion of the systemic impact of development policies at the global level on national policymaking and implementation. Areas of attention should include persistent and emerging economic challenges from a development perspective. Expert group meetings should be improved to contribute more effectively to the accomplishment of the new development agenda, through a more specific focus and organization around a regular group of experts drawn from capitals. They should be tasked with making specific recommendations to the Trade and Development Board.

101. A key role of the analytical work of UNCTAD is to inform the deliberations of member States, in order to move closer to a more development-centred global economic and multilateral trading system. It should continue to provide regular analysis and assessments of global trends in trade, finance, investment and development policies, with a particular focus on the implementation of the 2030 Agenda for Sustainable Development and the Sustainable Development Goals. It should encompass issues related to the sustainability and predictability of innovative and new sources of finance, the role of the private sector, the financing of small and medium-sized enterprises, trends related to investment and the nexus between trade, development and the environment.

102. To enhance UNCTAD delivery in line with its mandate, its publications should be kept under review to ensure their timeliness, quality, coherence and impact, and their relevance to the needs of developing countries in the context of the 2030 Agenda and the Addis Ababa Action Agenda. Inclusion in flagship reports of substantive recommendations for the consideration of the Trade and Development Board would help to make them more focused and relevant to member States. Outreach and engagement, for capacity-building as well as research, should be enhanced through greater and more effective use of new communications technologies, including web-based and online training.

103. The quality of UNCTAD technical assistance should be further improved throughout the project cycle. Technical assistance should seek to enhance the capacity of developing countries in understanding the nature and dynamics of the global economic system and alternatives for its reform in line with the 2030 Agenda for Sustainable Development. It should also promote and facilitate international cooperation for the development of productive capacities and industrial upgrading in developing countries, and advise countries on appropriate measures to this end. UNCTAD can also assist developing countries in achieving sustainable development, particularly in its economic dimension, as well as assist member States in monitoring progress towards the targets set out in the recent global agreements as they relate to core development issues. Its technical cooperation and capacity-building, including at the ministerial level, should thus support member States, in areas encompassed by its mandate, in defining and coordinating national development strategies oriented towards sustainable development, incorporating the different approaches, visions and tools available.

104. A significant contribution to efficient resource use can be made by improving administrative processes and policies for fostering in-house expertise, efficiency and effectiveness. However, reforms need to extend beyond increasing value for money to enhance UNCTAD effectiveness, integrity, transparency and accountability to members and stakeholders through strong and independent oversight mechanisms.

105. UNCTAD should continue to implement the recommendations of the Joint Inspection Unit, building on the measures already taken by the secretariat and the measures introduced by the Secretary-General of UNCTAD since September 2014 to strengthen internal accountability. The Trade and Development Board should continue to review progress annually and take such action as it deems appropriate, as well as report to the fifteenth session of the United Nations Conference on Trade and Development. UNCTAD should also continue to reduce the fragmentation of its project portfolio and continue to consolidate individual trust funds into a smaller number of broader thematic multi-donor, multi-year trust funds.

106. Results-based management and other approaches, as appropriate, should be improved and strengthened, and applied as a flexible management tool across all stages of initiatives across the three pillars of UNCTAD, where they offer a cost-effective means of establishing causality between such initiatives and development outcomes. This can contribute to improving the effectiveness, efficiency and impact on development outcomes of UNCTAD operations through informing resource-allocation decisions, sharing lessons across initiatives and work areas and identifying gaps and areas where impacts are below their potential. Performance could also be benchmarked against that of comparable organizations using results-based management tools.

The role of UNCTAD

107. In accordance with paragraphs 7 and 9 above, UNCTAD should:

(a) Contribute to the implementation of Sustainable Development Goal 17 on revitalizing the Global Partnership for Sustainable Development, particularly by promoting a universal, rules-based, open, non-discriminatory and equitable multilateral trading system;

(b) Utilize the World Investment Forum for the regular exchange of experiences and best practices in the area of investment and enterprise policies for development, involving the widest possible range of stakeholders and providing for a universal, inclusive and transparent review of progress towards implementation of the Sustainable Development Goals at the highest level;

(c) Contribute actively, in cooperation with relevant partners, to the implementation of international agreements and resolutions that recognize the role of transport infrastructure, trade logistics and trade facilitation in the implementation of an effective sustainable development agenda;

(d) Assist member States in implementing and monitoring progress towards landmark outcomes of major United Nations summits and conferences that have implications for trade and development and interrelated issues of finance, technology and investment, including the 2030 Agenda for Sustainable Development, Addis Ababa Action Agenda, Paris Agreement arising from the twenty-first session of the Conference of the Parties to the United Nations Framework Convention on Climate Change, Istanbul Programme of Action, Vienna Programme of Action and Samoa Pathway as they relate to core trade and development issues;

(e) Contribute, through its three pillars of work, to the implementation, monitoring and review of goals, targets and indicators related to international trade issues, including on means of implementation, in the 2030 Agenda for Sustainable Development, and the outcomes of other international conferences;

(f) Explore, in the context of the 2030 Agenda and the Sustainable Development Goals, potential trade-offs and synergies of national policies across the economic, social

and environmental pillars of sustainable development, provide a forum for the exchange of experiences and assist countries in their reporting through national reviews;

(g) Assess the impact of global economic forces and global rules on the effectiveness of national policies deployed to attain the Sustainable Development Goals;

(h) Assess the implications of the commitments made in the context of twenty-first session of the Conference of the Parties and commitments related to the Sustainable Development Goals for commodity-dependent developing countries;

(i) Contribute to the dedicated follow-up to and review of all International Conference on Financing for Development outcomes, in accordance with its mandate;

(j) Contribute to monitoring, discussion and implementation of the Sustainable Development Goals by providing reliable and timely statistics, and through statistical capacity-building at the national level, as an essential basis for policy analysis and informed decision-making on trade and development;

(k) Focus on the main challenges that all developing countries face in the areas of trade and development and in interrelated issues of finance, investment, technology and sustainable development in pursuing internationally agreed development goals, including the Sustainable Development Goals; in this regard, special attention should be paid to LDCs and commodity-dependent developing countries;

(l) Regularly assess, conduct research and analysis on, and promote consensus on how development cooperation and partnerships can further contribute to the achievement of the Sustainable Development Goals in developing countries, especially in the case of LDCs, SIDS, LLDCs and other structurally weak, vulnerable and small economies and Africa;

(m) Provide, at the request of member States, briefings on current trade- and development-related issues at the ministerial level;

(n) Continue its efforts to enhance its efficiency, effectiveness, transparency and accountability, including through improved outreach and reporting mechanisms and by mainstreaming results-based management practices into the three pillars of UNCTAD and ensuring a member State-driven process through the intergovernmental machinery.

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Submitted by the Chair of the Preparatory Committee

Corrigendum

Paragraph 82 (y), line 2

After Consumer *insert* Protection

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